

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

SUBJECT: SEE BELOW

DATE: September 7, 2004

COUNCIL DISTRICT: Citywide

**SUBJECT: QUARTERLY STATUS REPORT ON CITYWIDE CAPITAL
IMPROVEMENT PROGRAM (CIP) AND STRONG NEIGHBORHOODS
INITIATIVE PROJECTS**

RECOMMENDATION

Staff recommends that the City Council accept this quarterly report on the Citywide Capital Improvement Program and Strong Neighborhoods Initiative projects.

BACKGROUND

The 2005-2009 Proposed CIP has a budget of approximately \$3.3 billion. This CIP report provides the Mayor and the City Council information on the status of the 495 projects in the current 5-year CIP (2005-2009), a review of the accomplishments in FY 03-04 and establishes staff's commitment for the delivery of projects with activity in FY 04-05.

ANALYSIS

The current 5-year CIP includes a total of 495 projects and 200 programs for a total of 695 projects and programs. In FY 03-04, the City awarded 145 projects. In FY 04-05, staff expects to award an additional 115 contracts. This will result in a total of 619 projects sent into construction during the first half of the "Decade of Investment."

In FY 03-04 the City completed 196 projects, the highest number of projects completed in any fiscal year on record. To date in FY 04-05, 18 projects have been completed with an estimated 182 additional projects to be completed by the end of June 2005. This will result in nearly 800 completed projects in the City of San José during this first half of the "Decade of Investment" and well over \$3.6 billion in capital program dollars being put into our local economy during this critical economic period.

The table below highlights the number of projects in each City Service Area (CSA) or program in the current 5-year CIP as well as highlighting the number of project completions in FY 03-04:

CSA/Program	495 Total Projects FY 05-09			FY 03-04 Completions	FY 04-05 Completed to date
	Active Projects FY 04-05	Pending Schedules	Future Projects FY 06-09		
Aviation	33	3	37	14	2
Econ. & Neighborhood	28	1	4	12	3
Environmental & Utility	46	1	8	21	1
Public Safety Non Bond	0	0	1	0	0
Recreation & Cultural	66	19	14	56	1
Strategic Support	15	0	0	4	0
Transportation	95	9	37	62	8
Subtotal	283	33	101	169	15
Public Safety Bond	27	2	6	1	2
Park Bond	19	1	4	25	1
Library Bond	12	0	7	1	0
Totals	341	36	118	196	18

Economic Conditions and Budget Strategy

The 2005-2009 Proposed CIP totals \$3.3 billion, which is one of the largest in the City's history, continuing the "Decade of Investment" that is transforming much of the City's infrastructure. The City is entering the fourth year in which the capital program has topped \$1 billion and the Five-Year CIP has been in the multi-billion dollar range. A few major initiatives are responsible for the healthy size of the CIP. These include the expansion of the Norman Y. Mineta San José International Airport and the renovation and expansion of the City's parks, community centers, libraries, and public safety facilities.

Over the past two years, the majority of activity in the CIP has focused on implementation of the Park, Library and Public Safety general obligation bond measures. These initiatives will continue to reflect a significant portion of activity in the CIP as the creation of new facilities and the rehabilitation of existing facilities continue. In addition, the Aviation Services CSA reflects a majority of the activity in the 2005-2009 CIP as expansion of the Norman Y. Mineta San José International Airport is implemented. In the immediate term, the Aviation Services CSA's \$2.1 billion 2005-2009 CIP is focused on the completion of security-related projects.

Strong Neighborhoods Initiative Program

Several projects over the last quarter were completed and neighborhoods are beginning to realize the benefits of redevelopment. Schedules for a majority of the remaining Strong Neighborhoods Initiative projects are now available as a result of the approval and processing of Project Services Memorandums (PSMs). Forty-one PSMs were brought to Council for appropriation in FY 03-04 and an additional two PSMs are scheduled for Council approval on September 14, 2004. The CIP Action Team and Strong Neighborhoods staff have been coordinating efforts to maintain the CIP

database for all Strong Neighborhoods projects, including status and next steps for each of the neighborhood's top ten priorities.

Process Improvements

The City Manager's CIP Action Team has established a team with representatives from each of the individual CSAs to work on process improvements to ensure that projects stay on schedule and within budget. Accomplishments to date include the formation of an interdepartmental team charged with facilitating site selection decisions and establishment of standard protocols for the environmental review of capital projects. In addition, a "brown bag" forum has been set up for project managers to meet on a monthly basis to share project management experiences and problem solving strategies.

Other improvements currently underway include:

- CIP Database Enhancements: The City's capital project database has been awarded the 2004 American Public Works Association's Management Innovation Award. Significant improvements have been made over the past year enhancing the CIP database to provide a one-stop resource for capital project management and reporting. In FY 04-05, database development staff will intensify the focus on project management features, including a project scope of work and cost estimating module, an automated change order and pay letter development and tracking module, and a task assignment and tracking module. Additional enhancements in the next few months will make live database reports available to council members and their staff through the City's intranet site, in addition to increasing the project information available to the general public on the Internet.
- Utility Coordination: City staff is continuing to focus on developing relationships with other agencies such as PG&E in order to expedite and smooth out the project delivery process. Staff is focusing on internal City processes such as utility agreement processing and minimizing points of coordination in addition to working with PG&E to better understand their processes.
- Project Manager Training: Staff is continuing efforts to develop a comprehensive project manager training curriculum that will provide consistent and specific training to project managers responsible for delivering the City's CIP projects.

PUBLIC OUTREACH


The general public can access this report through the following web link on the City's Capital Improvement Projects website: http://www.ci.san-jose.ca.us/pub_wrks/cip/bonds/report/index.html.


COORDINATION

This report has been coordinated with all City departments with capital projects, including the Redevelopment Agency, QUEST and the Budget Office.

CEQA

Not a project.


DEL D. BORGS DORF
City Manager


HARRY S. MAVROGENES
Interim Executive Director

Attachment